

SENATE

JOHN M. NUTTING, DISTRICT 17, CHAIR
MARGARET ROTUNDO, DISTRICT 16
ROGER L. SHERMAN, DISTRICT 8

JILL IPPOLITI, LEGISLATIVE ANALYST
JEREMY LESTAGE, COMMITTEE CLERK



HOUSE

WENDY PIEH, BREMEN, CHAIR
JACQUELINE A. LUNDEEN, MARS HILL
RAYMOND G. PINEAU, JAY
JOHN F. PIOTTI, UNITY
TIMOTHY A. CARTER, BETHEL
BENJAMIN M. PRATT, EDDINGTON
DONALD G. MAREAN, HOLLIS
PETER EDGECOMB, CARIBOU
DEAN A. CRAY, PALMYRA
JEFFERY A. GIFFORD, LINCOLN

STATE OF MAINE

ONE HUNDRED AND TWENTY-THIRD LEGISLATURE

COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

TO: Margaret Rotundo, Senate Chair
Jeremy Fischer, House Chair
Joint Standing Committee on Appropriations & Financial Affairs

FROM: John M. Nutting, Senate Chair
Wendy Pieh, House Chair
Joint Standing Committee on Agriculture, Conservation and Forestry

DATE: March 13, 2008 (*Corrected Version 3-14-08*)

SUBJECT: Policy Committee Recommendations on Supplemental Budget

Since our last communication of February 28th, the Joint Standing Committee on Agriculture, Conservation and Forestry has spent many hours deliberating the options proposed by the departments, which we oversee, to meet the target reductions. We have developed alternatives to each department's proposals. We regret that we can not present you with a unanimous report. Below we are summarizing the individual recommendations that are unanimous and those where we differ.

We will have a final tally of the votes on each to you later today. We will get final statutory language to you as soon as possible and work with your OFPR analyst on account and positions numbers.

Part YY Unanimously accept the revised language for YY-2. Respectfully request that 5 legislators participate in the task force being convened.

Department of Agriculture, Food, and Rural Resources

The ACF committee unanimously rejects the proposal in the Governor's change package to eliminate the Maine Meat and Poultry Inspection Program and the department's proposal to eliminate 2 positions within the Marketing Division. The table below presents the committee's alternative proposal. We reiterate our unanimous opposition to Part G in LD 2173, the proposal to merge administrative functions of the Gambling Control Board. To offset the ~~\$107,000~~ \$100,000 in projected saving from Part G, we have added this amount to the department's target of \$296,191 for a target of \$ ~~403,191~~ \$396,191.

We are also attaching statutory language and request that it be included in AFA's amendment to LD 2173. This language exempts the Companion Animal Sterilization Fund from paying into the department's indirect cost allocation plan (DICAP).

Department of Agriculture, Food, and Rural Resources - Target ~~403,191~~ \$396,191

Committee Proposals	Savings or Revenue Increase – Impact on GF	Vote
Transfer funding for the Harness Racing Commission to dedicated funds – statutory language is being finalized	\$236,423	unanimous
Allow license fees for the Div. Of Quality Assurance & Regulation to be established in rule. Fee increases will be realized in 2009. Increased revenue will be ongoing and likely to exceed estimate. The department has been directed to realize increased revenue of at least \$106,000 in FY09. Statutory language will be provided.	\$106,000	unanimous
Postpone the hiring of a vacant Consumer Protection Inspector – one time savings for FY 2009	\$74,157 \$62,389	unanimous
Total	\$416,580 \$404,812	unanimous

Department of Conservation - Target \$868,084

The Joint Standing Committee on Agriculture, Conservation and Forestry finds it very difficult to support some of the department's proposals to meet their target of \$868,084. We have developed alternate proposals and all are listed in the table below. We will submit final votes as soon as possible.

Department of Conservation - Target \$868,084

Committee Proposal	Majority	Minority	Vote to support
1 Forest Fire Protection from balance to GF	356,200	356,200	unanimous
2 Hold vacant for Fy 09	82,469	82,469	unanimous
3 Move .5 Hydrogeologist to dedicated	42,147	42,147	unanimous
4 Eliminate vacant Environmental Specialist III in LURC	67,640	67,640	unanimous
5 Reduce OIT for 2 eliminated positions	5,000	5,000	unanimous
6 Reduce Maine Conservation Corps All Other	1,800	1,800	unanimous
7 Reduce All Other across all accounts <i>corrected</i>	10,470	70,000	12 to 1
8 Meals/Lodging tax-bookkeeping correction	75,000	75,000	unanimous
9 Increase camping fee by \$5/night for non-residents	151,090	0	12 to 1
10 Eliminate 6 positions in the Allagash WW	0	0	Remove from change package - un
11A Move .5 PSC I to Dicap - Asst to the Commissioner	43,572	0	11 to 2
11B Eliminate 2 PSC 1 in Commissioner's Office	0	\$174,711 (2) \$130,708 (1)	10 -2-1
12 Eliminate 1 Public Service Coordinator I in LURC	83,171	0	12 to 1
13 Establish 1 Management Analyst 2 in BPL	(61,045)	0	12 to 1
14 Eliminate one seasonal Park Manager at Peacock Beach	0	0	Remove from change package - un
15 7% Tax on the additional non-resident revenue	10,570	0	12 to 1
TOTALS	\$868,084	\$874,967*	

* Total for minority reports vary based on elements included. Total shown is based on \$70,000 for item #7 and \$174,711 for item #11B.

cc: Grant Pennoyer, Director, Office of Fiscal and Program Review
Patrick T. Norton, Director, Office of Policy and Legal Analysis

Joint Standing Committee on Agriculture, Conservation and Forestry
Recommended statutory changes and unallocated section to include in AFA Amendment to
LD 2173

Sec. 1. 22 MRSA §2168 is amended to read:

§2168. Fees

1. Application and renewal. Each application for, or renewal of, a license to operate a food establishment must be accompanied by a fee determined by the commissioner in accordance with subsection 5. ~~based on the number of employees as follows: The fees may not exceed:~~

- ~~A. For 0 to 10 employees, \$10 annually;~~
- ~~B. For 11 to 25 employees, \$30 annually; and~~
- ~~C. For 26 or more employees, \$100 annually.~~

A license may be issued for a one-year, 2-year or 3-year period. Licenses for a period in excess of one year may only be issued with the agreement of or at the request of the applicant. The fee for a 2-year license is 2 times the annual fee. The fee for a 3-year license is 3 times the annual fee.

2. Food salvage. Each application for, or renewal of, a license to operate a food salvage establishment or to act as a salvage broker must be accompanied by a fee, ~~not to exceed \$30 annually,~~ determined by the commissioner in accordance with subsection 5. A license may be issued for a one-year, 2-year or 3-year period. Licenses for a period in excess of one year may only be issued with the agreement of or at the request of the applicant. The fee for a 2-year license is 2 times the annual fee. The fee for a 3-year license is 3 times the annual fee.

3. Refunds and transfers; General Fund. No fee is refundable. A license is not assignable or transferable. Fees collected by the commissioner pursuant to this section must be deposited in the General Fund.

4. Reinspection required for violations. If, upon inspection, the commissioner finds a licensee under this subchapter to be in violation of requirements of this subchapter or rules adopted under this subchapter, the commissioner shall issue a written citation describing the violation, the required corrective action to be taken by the licensee and the date by which the correction must be made. If the corrective action has not been taken within the specified period and a 3rd inspection is required in any one year, the commissioner may charge the licensee a reinspection fee not to exceed \$50. The commissioner shall notify the licensee in writing about the reinspection fee at the time the original citation is issued.

5. Rules. The commissioner shall adopt rules to establish a schedule of fees for licenses issued under this chapter. Fees must be appropriate to the size of the establishment. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 22 MRSA § 2514, sub-§5 is amended to read:

§2514. Licensing

1. License required. A person may not engage in intrastate commerce in the business of buying, selling, preparing, processing, packing, storing, transporting or otherwise handling meat, meat food products or poultry products, unless that person holds a valid license issued under this chapter. Categories of licensure include:

- A. Commercial slaughterers;
- B. Custom slaughterers, except that itinerant custom slaughterers who slaughter solely at a customer's home or farm and who do not own, operate or work at a slaughtering plant are exempt from the licensing provisions of this section;
- C. Commercial processors;
- D. Custom processors;
- E. Wholesale distributors, except that livestock producers and livestock dealers who sell carcasses to or through inspected slaughterhouses are exempt from having to obtain a wholesale distributor's license under this paragraph. All other licensing provisions are applicable;
- F. Retail vendors;
- G. Meat and poultry product brokers;
- H. Renderers;
- I. Public warehouse operators;
- J. Animal food manufacturers;
- K. Handlers of dead, dying, disabled or diseased animals; and
- L. Any other category that the commissioner may by rule establish.

5. Annual license fee; rules. ~~The annual license fee for a retail vendor license is \$10 and for all other licenses listed under subsection 1 is \$50.~~ All licenses issued under this section expire on December 31st The commissioner shall adopt rules to establish a schedule of fees for licenses issued under this chapter. Fees must be appropriate to the size of the establishment. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 3. 32 MRSA §1851 is amended in the last paragraph to read:

§1851. License required; fee; expiration and renewal

No person within this State may manufacture or bottle for sale any beverage without first having filed with the Commissioner of Agriculture, Food and Rural Resources an application for a license accompanied with the fee specified in this section and having been issued a license to operate a beverage plant. Upon receipt of such application containing information required by the commissioner and being satisfied that the applicant has complied with this chapter and rules adopted under this chapter, the commissioner shall issue the applicant a license to manufacture and sell beverages.

No person manufacturing or bottling any beverage outside of the State for retail sale within the State may sell or offer to sell the same within the State unless that person has made application and secured a license to sell beverages from the commissioner upon the payment of the fee specified in this section. The commissioner may issue a license to sell beverages manufactured or bottled outside of the State upon being satisfied from inspection by an inspector of the department or from a statement from the agency having enforcement of the beverage law in the state where the beverage establishment is located, that the establishment complies with the requirements of this chapter and rules adopted under this chapter, and upon the commissioner's approval of the establishment on the basis of the inspection or statement.

Beginning August 1, 2000, each license or license renewal issued expires on the 31st day of December following the date of issuance or on the date provided by the provisions of the Maine Administrative Procedure Act as to license expiration, whichever date is later, unless sooner revoked as provided in section 1802, and must be renewed annually thereafter subject always to such revocation. When an initial license is issued or when a license is renewed between August 1, 2000 and December 31, 2001, the license fee is prorated based on the number of months the license is valid and the annual license fee.

The fee for a license issued under this section is based on the number of persons employed by the manufacturer or bottler. ~~The fee for a manufacturer or bottler with 5 or fewer employees is \$50. The fee for all other manufacturers or bottlers is \$100.~~ The commissioner shall adopt rules to establish a schedule of fees for licenses issued under this subchapter. Fees must be appropriate to the size of the beverage plant. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A

Sec. 3. 10 MRSA §2412 is amended to read:

§2412. Registration of motor fuel dispensers

It is unlawful to sell motor fuel from a commercial motor fuel dispenser without a certificate of registration.

1. Certificate of registration. The state sealer shall provide application forms and shall issue a certificate of registration upon receipt of a completed application accompanied by an annual fee as determined under subsection 5. ~~of \$8 per dispensing nozzle.~~ A certificate of registration expires

on December 31st. The state sealer may issue a registration for a one-year, 2-year or 3-year period. Registrations for a period in excess of one year may only be issued with the agreement of or at the request of the applicant. The fee for a 2-year registration is 2 times the annual fee. The fee for a 3-year registration is 3 times the annual fee.

2. Local sealers account. The state sealer shall deposit all fees from applicants with commercial dispensers in municipalities with duly appointed local sealers into a separate, nonlapsing account, known as the local sealers account. Funds from this account may be used for costs associated with carrying out this subchapter. The state sealer shall deposit all other fees received under this section into the General Fund.

3. Payment from local sealers account. Upon receiving verification from a local sealer that a registered fuel dispenser has been inspected and conforms to standards established for fuel dispensers, the state sealer shall pay to the local sealer ~~\$8 per dispensing nozzle~~ an amount as determined under subsection 5.

4. No additional fee. A state or local sealer may not assess a fee for periodic testing and sealing of retail motor fuel dispensers.

5. Rulemaking. The commissioner shall adopt rules to establish a fee for issuing a certificate of registration under subsection 1 and the payment to a local sealer under subsection 3. The fee and payment established in rule must be per dispensing nozzle certified or inspected. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 4. Directive to the Commissioner of Agriculture, Food, and Rural Resources. The Commissioner of Agriculture, Food, and Rural Resources shall adopt rules in accordance with 7 MRSA §2168 and 32 MRSA §1851 that establish fees at a level that generates a minimum of an additional \$106,000 revenue in fiscal year 2009.

SUMMARY

This amendment directs the Commissioner of Agriculture, Food, and Rural Resources to establish license fees for food and food salvage establishments, meat and poultry processors, and beverage plants to be established in rule. It also directs the commissioner to establish the fee for registering a fuel dispensing nozzle and the payment to a local sealer for inspection of dispensing nozzles in rule. The commissioner is directed to adjust license fees for food and food salvage establishments and for beverage plants in a manner that increase revenue by \$106,000 in fiscal year 2008.

G:\COMMITTEES\ACF\Budget\123rd\QA&R license fees to AFA 3-14-08.doc(3/14/2008 3:32:00 PM)

Language to Exempt the Companion Animal Sterilization Fund from DiCap

March 17, 2008

Sec. 1. 7 MRSA § 3910-B is amended to read:

§3910-B. Companion Animal Sterilization Fund

1. Establishment. There is established the Companion Animal Sterilization Fund, an interest-bearing account, referred to in this section as "the fund." The fund receives money deposited by the Treasurer of State pursuant to Title 36, section 5284-A, revenues generated in accordance with this section, all revenue from the surcharges collected under section 3933, subsection 4, money transferred from the Animal Welfare Fund in accordance with section 3906-B, subsection 2 and any money contributed voluntarily to the fund. All money deposited in the fund and the earnings on that money remain in the fund to be used for the spaying or neutering of companion animals owned by persons meeting income limit standards and for the necessary direct administrative and personnel costs associated with the management of the fund and may not be deposited in the General Fund or any other fund except as specifically provided by law. The fund may not be charged for indirect costs under a departmental indirect cost allocation plan.

1-A. Option to contract for administration of the program. The commissioner may contract the administration of this program to a suitable organization or individual selected through a competitive process. The contracting organization or individual shall administer the program in accordance with procedures and eligibility standards established under subsection 2. The contracting organization or individual may not expend more than 15% of the fund annually for administrative costs

2. Subsidies; development of standards. The commissioner shall develop procedures and eligibility standards for the awarding of subsidies to low-income persons for the spaying or neutering of those persons' companion animals. Procedures and eligibility standards must be developed in consultation with veterinarians and representatives of humane societies and animal shelters.

3. Fund-raising. The commissioner or the commissioner's authorized agent may provide for the creation, reproduction, sale, licensing and distribution and other disposal of any art or other products for the purpose of generating revenues for the fund. All money generated from the sale of these items must be deposited into the fund.

4. Oversight. The Animal Welfare Advisory Council established in section 3906-C or a subcommittee of the council shall review the objectives of the program and make recommendations for maximizing use of available resources to meet the objectives. The subcommittee shall review the administration of the program and make recommendations, which may include the development of a competitive process to contract for the administration of the fund.

SUMMARY

This amendment prohibits the Companion Animal sterilization Fund from being charged for indirect costs under a department indirect cost allocation plan. It authorizes the Commissioner of Agriculture, Food, and Rural Resources to contract out administration of the fund and limits expenditures for administration. It directs the Animal Welfare Advisory Committee to review the use of the fund and make recommendations to the commissioner regarding administration of the fund.

G:\COMMITTEES\ACF\Animal Welfare\DiCap exemption - Feb. 24 2008.doc(3/13/2008 1:39:00 PM)